

Senate File 2272

S-5105

1 Amend Senate File 2272 as follows:

2 1. Page 15, after line 26 by inserting:

3 <Sec. \_\_\_\_\_. Section 423.3, subsection 47, paragraph  
4 a, unnumbered paragraph 1, Code 2014, is amended to  
5 read as follows:

6 The sales price from the sale or rental of  
7 computers, machinery, and equipment, including  
8 replacement parts, supplies, and materials used to  
9 construct or self-construct computers, machinery, and  
10 equipment, replacement parts, and supplies, if such  
11 items are any of the following:

12 Sec. \_\_\_\_\_. Section 423.3, subsection 47, paragraph  
13 d, Code 2014, is amended by adding the following new  
14 subparagraphs:

15 NEW SUBPARAGRAPH. (7) "*Replacement part*" means  
16 tangible personal property other than computers,  
17 machinery, equipment, or supplies, regardless of the  
18 cost or useful life of the tangible personal property,  
19 that meets all of the following conditions:

20 (a) The tangible personal property replaces a  
21 component of a computer, machinery, or equipment,  
22 which component is capable of being separated from the  
23 computer, machinery, or equipment.

24 (b) The tangible personal property performs the  
25 same or similar function as the component it replaced.

26 (c) The tangible personal property restores the  
27 computer, machinery, or equipment to an operational  
28 condition, or upgrades or improves the efficiency of  
29 the computer, machinery, or equipment.

30 NEW SUBPARAGRAPH. (8) "*Supplies*" means tangible  
31 personal property, other than computers, machinery,  
32 equipment, or replacement parts, that meets one of the  
33 following conditions:

34 (a) The tangible personal property is to be  
35 connected to a computer, machinery, or equipment and  
36 requires regular replacement because the property is  
37 consumed or deteriorates during use, including but not  
38 limited to saw blades, drill bits, filters, and other  
39 similar items with a short useful life.

40 (b) The tangible personal property is used in  
41 conjunction with a computer, machinery, or equipment  
42 and is specially designed for use in manufacturing  
43 specific products and may be used interchangeably and  
44 intermittently on a particular computer, machine, or  
45 piece of equipment, including but not limited to jigs,  
46 dies, tools, and other similar items.

47 (c) The tangible personal property comes into  
48 physical contact with other tangible personal property  
49 used in processing and is used to assist with or  
50 maintain conditions necessary for processing, including

1 but not limited to cutting fluids, oils, coolants,  
2 lubricants, and other similar items with a short useful  
3 life.

4 (d) The tangible personal property is directly and  
5 primarily used in an activity described in paragraph  
6 "a", subparagraphs (1) through (6), including but not  
7 limited to prototype materials and testing materials.>

8 2. By renumbering as necessary.

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